(b) if so, the details thereof, and

(c) if not, by when it is likely to be sanctioned?

THE MINISTER OF WATER RESOURCES (PROF. SAIF-UD-DIN SOZ): (a) to (c) Pench Diversion Project in Chouri Tehsil of Chiindwada District of Madhya Pradesh has been discussed and approved in the 85th meeting of Technical Advisory Committee of Ministry of Water Resources held on 22nd February, 2006 The Planning Commission has also accorded investment clearance vide letter No. 2 (185)/2001-WR, dated 10th April, 2006 with some conditions. The project has been approved for Rs. 583.40 crore (2005 price level) to achieve annual irrigation of 96519 ha in 158 villages of Chhindwada and Seoni districts. The project will also provide 61.68 MCM water supply to thermal power units proposed to be constructed by Pench Power Limited under Madhya Pradesh Electricity Board.

Increase outstanding balance due to non-recovery of taxes

†*237. DR. MURLI MANOHAR JOSHI:
SHRI RAVI SHANKAR PRASAD:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that outstanding balance is continuously increasing in the country due to non-recovery of direct taxes in time;

(b) if so, the average annual growth rate of outstanding balance during the last three years; and

(c) the reasons responsible for growth of outstanding balance?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) Yes Sir, outstanding balance of income tax demand in the country is increasing.

(b) The average annual growth of outstanding balance of income tax demand during the last three years is 17.4%. The average annual growth of Revenue Collection is 25.4%.

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†Original notice of the question was received in Hindi.

1	2	3	4	5	6	7
Financial Year& Date of Outstanding Demand	Outstanding income tax (Rs. in crore)	Increase from previous year (Rs in crore)	Percentage increase of outstanding balance over the previous year.	Revenue Collection during the year (Rs. in crore)	Increase in Revenue Collection over the previous years.	Growth Rate in Revenue Collection
(2002-03) 1.4.2003	72,217	15,668	(+) 21.6%	83,068	22,000	26.47%
(2003-04) 1.4.2004	87,885	10,727	(+) 12.2%	1,05,088	27,683	26.34%
(2004-05) 1.4.2005	98,612	18,154	(+) 18.4%	1,32,771	31,322	23.59%
(2005-06) 1.4.2006 Average: for Three years	1,16,766		17.4%	1,64,093		25.4%

(c) The increase in outstanding demand of income tax is mainly attributable to following factors:—

i. Demand is stayed by Courts, Income Tax Appellate Tribunal or income-tax authorities

ii. Demand is against persons notified by the Special Court (Scam Cases) and so recovery can be made only after the Special Court releases money for payment of tax.

iii. The assessee is not traceable and/or has no assets for recovery.

iv. The assessee is before B.I.F.R.

v. The assessee company is under liquidation.

vi. The case is before the Income-tax Settlement Commission.

vii. Demand is arising from protective assessment or the Department has lost on similar issues in earlier years.

viii. Addition in demand every year on account of charge of interest on unpaid demand, which cannot be collected.

For the reasons enumerated above as well as prolonged litigation, (he entire amount of demand that is created by the Income Tax Department does not get collected immediately. While the process of liquidation or collection of the outstanding demand is long and disposal of appeals by the Courts, Tribunals and other authorities is slow, the fresh tax demands, on the other hand, are continuously raised by the Department in various cases, increasing the outstanding arrears year after year.

Production of bio-diesel

*238. SHRI C. PERUMAL: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Government are aware that there is a need to accelerate production of bio-diesel to achieve energy independence due to continuous increase in price of petroleum products globally; and

(b) if so, the steps taken to develop production of bio-diesel?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MURLI DEORA): (a) Yes, Sir.

(b) The Ministry of Rural Development is the nodal Ministry for the proposed National Mission on Bio-diesel, being set up win a focus on large-scale cultivation of Jatropha. A Detailed Project Report (DPR) on the National Mission on Bio-diesel has been submitted by that Ministry to the Planning Commission. The proposal *inter-aiia,* envisages a Demonstration Project involving plantation of Jatropha in 4 lakh hectares of degraded forest and non-forest lands for manufacturing bio-diesel. The Planning Commission has give 'in principle' approval to the DPR for the demonstration phase, estimated to cost Rs. 1286 crores over a period of 5 years. The Ministry of Rural Development has released Rs. 49 Crores to the nine States, namely Andhra Pradesh, Assam, Chattisgarh, Gujarat, Himachal Pradesh, Sikkim, Tripura, Tamil Nadu and Rajasthan for raising Jatropha seedlings in nurseries.

To encourage production of bio-diesel in the country, the Ministry of Petroleum and Natural Gas announced a Bio-diesel Purchase Policy, in October 2005, effective 1.1.2006. The policy has identified 20 purchase centres of the public sector oil marketing companies (OMCs) all over